

FISCAL NOTE WORKSHEET (Revised Nov. 2006)

Agency: Utah State Office of Education
Daniel Schoenfeld
 Requested By

Bill Number HB 331

Office of the Legislative Fiscal Analyst
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Fax/Electronic Mail Transmittal

Date: _____
Name: _____
Fax Number: _____

Please return to Fiscal Analyst by: January 25, 2007

TITLE OF BILL: School Board Alternatives to Basic Skills Competency Test

This Bill Takes Effect: ☐ On Passage ☐ On July 1 ☒ 60 Days after session ☐ Other _____
 Bill Carries Own Appropriation: ☐

FISCAL IMPACT OF PROPOSED LEGISLATION

A. Revenue Impact by Source of Funds:

First Year

Second Year

	First Year	Second Year
1. General Fund		
2. Unifrom School Fund - Free Revenue		
3. Transportation Fund		
4. Collections		
5. Other Funds (List Below)		
6 Local Funds		
7. TOTAL	\$0	\$0

B. Expenditure Impact by Source of Funds:

1. General Funds		
2. Unifrom School Fund - Free Revenue	(\$250,000)	\$0
3. Transportation Fund		
4. Collections		
5. Other Funds (List Below)		
6 Local Funds		
7. TOTAL	(\$250,000)	\$0

C. Expenditure Impact Summary:

1. Salaries, Wages and Benefits		
2. Travel		
3. Current Expenses		
4. Capital Outlay		
5. Other (Specify) <u>One time reduction in contract costs</u>	(\$250,000)	\$0
6. TOTAL	(\$250,000)	\$0

D. Impact in Future Years?

If no fiscal impact in first two years, indicate if there will be any impact in future years, and explain. Also, indicate any significant changes in fiscal impact beyond the first two years. (Use back side, if necessary.)

None.

E. Identify Sections of the Bill That Will Generate the Additional Workload or Cost Increase

None.

F. Expenditure Impact Details (Ties to totals in Section C)

List and document methodology and/or assumptions used in determining need for workload and cost increase.

List number, type, and step ranges of personnel required, including benefits.

List details of other impacted expenditure categories as shown in Section C.

The comments in this note are based on the assumption that the USOE would abandon the completely customized UBSCT in favor of an uncustomized version of the ACT (college entrance exam). The ACT is the most obvious choice, since it is already taken by approximately 70% of Utah high school students and was in fact the focus of initial discussion when the USOE began development of what eventually became the UBSCT. Of course, any contract of this magnitude would have to be put to bid, so there is no guarantee that ACT would either receive the contract or even seek it. There is the additional problem of the fact that the content of a nationally norm-referenced test does not match Utah's mandated curriculum, opening the possibility for legal challenges regarding the opportunity to learn or adequacy of education when a diploma is denied on the basis of failure to pass the ACT rather than a criterion referenced (or customized to the curriculum) test like the UBSCT.

G. No Fiscal Impact or Will Not Require Additional Appropriations?

Resources currently devoted to the UBSCT would be shifted to managing the ACT as the state's "basic skills competency test." For example, the Class of 2010 (this year's Grade 9) numbers 39,365. If every student were to take the ACT as is, basic registration costs (currently \$29 per student) would run to \$1.14 million. The annual average cost of contracted services for the UBSCT from July 2000 through April 2007 is \$1.39 million, so, assuming other related costs remain equal, there would appear to be some initial savings, after which the testing budget would be adjusted downward, so there would be no ongoing savings. However, if any customization of the ACT is required, or if students are given an option (e.g., UBSCT or ACT), these savings will evaporate, and the annual cost of basic skills testing will increase beyond present levels.

H. If Bill Carries It's Own Appropriation:

Indicate if the amount appropriated is adequate to meet the purposes of the bill.

Are there future additional costs anticipated beyond the appropriation in the bill?

Not applicable.

I. Impact on Local Governments, Businesses, Associations, and Individuals

*Specify requirements in the bill that drive the impact on local governments. Indicate costs or savings that are **DIRECT and MEASURABLE**. If direct and measurable data are not available, are there areas that potentially could have a fiscal impact*

Local School Districts/Charter Schools: LEAs would save costs (not directly funded by the state) associated with twice annual administration of the UBSCT. It is not clear how remediation to help students who "fail" the ACT would be handled, since there already exist many commercial options for assistance in ACT preparation. It is conceivable that the new UBSCT remediation program could continue with an appropriate revision to criteria for qualifying and service delivery.

Businesses and Associations: ACT and probably some test preparation companies would experience an increase in sales.

Individuals: Individuals would save the \$29 for the basic registration fee by having the state pick up the tab.

Narrative Description of Bill: This bill (1) allows the State Board of Education to use a nationally norm-referenced test to satisfy the basic skills competency test requirement [including a college entrance exam, such as the ACT] and (2) removes a [specifically, the 10th-] grade level requirement for the test.

This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.

This fiscal note input draft does not imply endorsement of this bill by the State Board of Education or USOE.